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April 12, 1996

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Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W.
Room 222
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

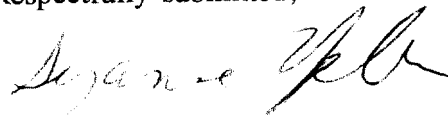
Re: WT Docket No. 95-157

Dear Mr. Caton:

In accordance with Section 1.1206 (a) (2) of the Commission's Rules, 47 C.F.R. § 1.1206 (a) (2) (1991), this is to notify the Commission that on April 11, 1996, Jay Kitchen, Mark Golden, William Roughton, Robert Butler, and I, on behalf of the Personal Communications Industry Association ("PCIA"), met with Karen Brinkmann, Linda Kinney, and Peter A. Tenhula.

The purpose of this meeting was to discuss the PCIA clearinghouse proposal. The subjects discussed are fully reflected in the enclosed materials, which were left with Ms. Brinkmann, Ms. Kinney, and Mr. Tenhula. Should you have any questions regarding the matter, please call me.

Respectfully submitted,



Suzanne Yelen

SY:daj

Enclosure

cc: Ms. Karen Brinkmann
Ms. Linda Kinney
Mr. Peter A. Tenhula

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PCS MICROWAVE RELOCATION COST SHARING CLEARINGHOUSE

THE FCC SHOULD TENTATIVELY DESIGNATE PCIA AS THE SECTION 332 FREQUENCY COORDINATOR FOR MICROWAVE RELOCATION COST SHARING

- Unless a clearinghouse can be established and put into operation soon, the Commission's goals in the cost sharing proceeding will not be realized and the rapid development of broadband PCS will be severely hampered.
- In order to maximize the efficiencies and coordination benefits of cost sharing, a single entity will be necessary to administer the cost sharing process.
- Establishment of an industry managed and supported clearinghouse to oversee the cost sharing mechanism will permit PCS providers to tailor the process to best meet their needs. It will also ensure that the burdens of overseeing the cost sharing proposal are borne by the industry rather than the FCC.
- PCIA is uniquely qualified to serve as the clearinghouse:
 - As an international trade association, PCIA has experience in all areas of wireless services and has virtually every major wireless communications carrier and manufacturer as a member, including the majority of PCS licensees.
 - PCIA is already familiar with the microwave relocation rules through its having been involved in the development of the PCS and microwave relocation rules from the very beginning of those proceedings. The Association's five-year old Broadband PCS Membership Section has been actively working with the Commission and its members to address the many difficult issues arising out of that process. Indeed, PCIA created the cost sharing concept and introduced it into the current regulatory proceeding.
 - PCIA also has a record of fair and impartial administration and a long history of working with many differing wireless industry sectors to achieve consensus across a wide range of issues.
 - PCIA is the largest FCC-designated frequency coordinator, processing over 30,000 applications for frequency assignments annually. PCIA has a highly trained staff, including fifteen full-time coordinators who are supported by several management information systems specialists. In addition, PCIA has an advanced electronic delivery system which would

allow clearinghouse participants to file and receive their reports electronically.

-- As a result of its frequency coordinator activities, PCIA clearly understands and has proven ability to meet the need for confidentiality and impartiality for the clearinghouse.

- PCIA is the only entity that has stepped forward to assume the role of the clearinghouse.
- Therefore, the FCC should tentatively designate PCIA to administer the clearinghouse, subject to submission and Commission approval of a funding and operating plan.

PCIA HAS PUT SIGNIFICANT EFFORT INTO DEVELOPING THE FUNCTIONS AND STRUCTURE OF THE CLEARINGHOUSE

- The PCS industry, including PCIA members and non-member PCS interests, have been working since May 1995 to develop a sound clearinghouse proposal that will facilitate the relocation process. (See Attachment A)
- The non-profit clearinghouse would be governed by a Clearinghouse Council made up of PCS industry members.
- The clearinghouse would have its own staff members, including a Clearinghouse Manager, but would take advantage of PCIA's existing coordination expertise and staffing to save costs.
- The clearinghouse would utilize PCIA's existing database system. PCIA has already identified a programmer who is familiar with PCIA's system and will develop the software necessary for the clearinghouse on an expedited basis. If tentative designation of the clearinghouse is granted in the April order, PCIA believes initial software development can be completed in a maximum of four months.
- Through intensive efforts involving PCIA's professional, legal, MIS, and coordination staff and key technical and business planners from PCS companies, PCIA has developed the procedures necessary for the clearinghouse to facilitate the relocation and cost sharing processes:

- The database will be created from information submitted in a standardized format by the relocating entity at the time it seeks reimbursement rights.
- Based on the FCC's rules, the clearinghouse will identify PCS interests which will be liable for cost sharing and/or reimbursement.
- Once activation of a subsequent PCS system results in identification of a cost sharing obligation (the "trigger" mechanism), the clearinghouse will notify the obligated PCS entity within 10 business days. At the same time, it will notify the relocater that a PCS entity has been identified as a cost sharing participant. The clearinghouse will require the relocater to provide the following information to the cost sharing participant: contact name; address; telephone and facsimile numbers; equipment and tower costs; cost sharing obligations; payment due date; and other information as required. All clearinghouse participants will be required to designate primary and secondary contacts for the purpose of receiving clearinghouse mailings.
- PCS entities, excluding entrepreneur licensees and UTAM, must make full payment of cost sharing obligations within 60 calendar days of notification. Entrepreneurs and UTAM must make their initial installment payment within 60 days of notification of a cost sharing obligation.
- A PCS entity which disagrees with its cost sharing obligation will be required to notify the clearinghouse within 30 calendar days after notification of that obligation. Disputes will be referred to mediation or arbitration, consistent with FCC guidelines for alternative dispute resolution.
- A relocater will notify the clearinghouse upon receipt of cost sharing payments within 10 business days. This information will be recorded in the database for reporting and tracking purposes.
- The clearinghouse will update the database as reimbursement rights are transferred.
- Parties signing private cost sharing agreements can participate in the clearinghouse for any cost sharing obligations not covered by their private agreements.

- The information contained in the clearinghouse will be safeguarded and treated as confidential. It will be released only to cost sharing entities which require such information in support of their cost sharing obligations, as appropriate. The clearinghouse will be required to execute a non-disclosure agreement with all participating entities.

PCIA HAS DEVELOPED A PROPOSED BUDGET FOR THE CLEARINGHOUSE AND HAS SECURED FUNDING COMMITMENTS FROM EIGHT PCS LICENSEES

- PCIA has developed a budget for the costs of administering the cost sharing process. PCIA estimates that the operating expenses would be approximately \$1.1 million for the first year. In addition to the continuing costs, such as salaries, rent, and other operating costs, this estimate includes significant start-up costs for software development, hardware and software capital expenditures, legal fees, and other one-time costs. PCIA has estimated that expenses in future years would decrease dramatically with a budget of \$803,000 in Year 2, \$710,000 in Year 3, \$535,000 in Year 4, and \$467,000 in Year 5. At the end of the fifth year, PCIA would then reevaluate expenses and revenues.
- Administration costs would be paid through a transaction fee charged to clearinghouse participants of \$2000.
- Until transaction fees can support the administrative costs, PCIA has obtained commitments from 8 PCS licensees to provide initial funding: APC, APT, BellSouth, Cox, Omnipoint, Pacific Bell Mobile Services, PCS PrimeCo, and Sprint Telecom Ventures and PhillieCo. As the source of upfront funding, PCS licensees have a strong incentive to develop a plan that ensures the lowest possible costs for a successful implementation of the clearinghouse.
- Initial funding will be repaid through credits against transaction fees.
- For its cost calculations, PCIA has assumed that the Proximity or "Rectangle" Method will be adopted by the Commission for determining cost sharing obligations. If the FCC adopts TIA Bulletin 10 as the standard, costs could increase by up to \$1 million as a result of the increased difficulty in determining which parties have cost sharing obligations.
- The clearinghouse will be dissolved when FCC cost sharing obligations are terminated and all initial funding has been repaid.

ATTACHMENT A

PCIA Meetings Studying Cost Sharing Issues

May 11, 1995
August 29-30, 1995
September 14-15, 1995
October 3, 1995
October 12, 1995
October 30, 1995
November 8, 1995
December 6-7, 1995

January 24, 1996
February 1, 1996
February 6, 1996
February 20-21, 1996
March 15, 1996

Participants in Process for At Least One Meeting

Ameritech
APC
APT
BellSouth Personal Communications, Inc.
Cox
GTE PCS
McCaw Cellular
MCI
Omnipoint
PCS PrimeCo
Powertel
SBMS
Sprint Telecom Ventures
Western Wireless PBMS